

AM  
12-6-2004



04016578

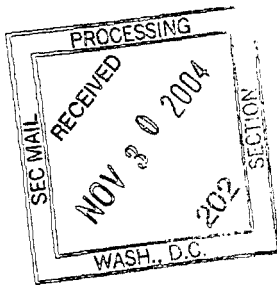
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

VF12-304

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00

SEC FILE NUMBER
8-5255



**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING October 1, 2003 AND ENDING September 30, 2004  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

**NAME OF BROKER-DEALER:**

UNITED EQUITIES COMPANY, LLC

**ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)**

160 Broadway

OFFICIAL USE ONLY

FIRM ID. NO.

(No. and Street)

New York

New York

10038

(City)

(State)

(Zip Code)

**NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT**

Mr. Phil Katz

(212) 349-2875

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

**INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\***

Jacob Edelstein CPA

(Name — if individual, state last, first, middle name)

21 East 40th Street

New York

NY

10016

(Address)

(City)

(State)

Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

DEC 9 7 2004

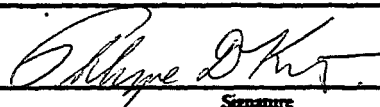
THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Phil Katz, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of United Equities Company, LLC, as of September 30, 19 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature

Member  
Title

  
Notary Public

SUSAN S. GOLDENBERG  
Notary Public, State of New York  
No. 01GO6067664  
Qualified in Kings County  
Commission Expires December 10, 2005

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT  
21 EAST 40TH STREET  
NEW YORK, NY 10016  
(212) 779-8923**

United Equities Company  
160 Broadway  
New York, New York 10038

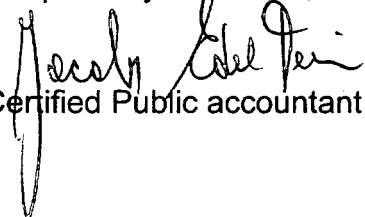
**ACCOUNTANT'S REPORT**

Gentlemen:

I have examined the Schedules and Statements of the Financial Reports as of September 30, 2004 of United Equities Company. My examination was made in accordance with generally accepted auditing standards and, accordingly, included a review of the system of internal control and the procedures for safeguarding securities and such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances, including the audit procedures prescribed by the Securities and Exchange Commission.

In my opinion, the Schedules and Statements present fairly the financial position of United Equities Company as of September 30, 2004 in the form required by the Securities and Exchange Commission, in conformity of that of the preceding year. My examination of the respondents' books and records revealed no material inadequacies to exist since the date of the last previous audit.

Respectfully submitted,

  
Certified Public accountant

New York, New York  
November 24, 2004

UNITED EQUITIES COMPANY  
BALANCE SHEET  
AS AT SEPTEMBER 30, 2004

**ASSETS**

**Current Assets**

Cash in bank - unrestricted	\$ 123,988
Cash in bank - restricted	13,312
Trading and Investment Accounts - Securities at Market	3,266,940
	<hr/>
Total current assets	<u>3,404,240</u>

**Fixed Assets**

Fixtures and Equipment	164,812
less: Accumulated Depreciation	<u>134,984</u>
Total fixed assets	<u>29,828</u>

<b>TOTAL ASSETS</b>	<b>\$ <u>3,434,068</u></b>
---------------------	----------------------------

**LIABILITIES AND NET WORTH**

**Current Liabilities**

Due to Brokers - Dealers	<u>137,024</u>
--------------------------	----------------

**Net Worth**

Partners' Net Worth	<u>3,297,044</u>
---------------------	------------------

<b>TOTAL LIABILITIES AND NET WORTH</b>	<b>\$ <u>3,434,068</u></b>
--	----------------------------

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

UNITED EQUITIES COMPANY  
STATEMENT OF INCOME AND EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Income

Commissions	\$	2,060
Gain on Principal Transactions		14,477
Interest and Dividends		<u>5,340</u>
Total Income		<u>21,877</u>

Expenses

Clerical and Employee Expenses	191,646
Guaranteed payment to Partners	764,853
Commission Expense	14,093
Communications	30,770
Occupancy Costs	66,708
Other Expenses	<u>246,110</u>
Total Expenses	<u>1,314,180</u>

NET LOSS	<u>\$ (1,292,303)</u>
----------	-----------------------

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

UNITED EQUITIES COMPANY  
STATEMENT OF CHANGES IN PARTNER'S EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

BALANCE - OCTOBER 1, 2003	\$ 4,589,347
Net Loss for the period	<u>-1,292,303</u>
BALANCE - SEPTEMBER 30, 2004	<u>\$ 3,297,044</u>

STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

NONE

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

UNITED EQUITIES COMPANY  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Cash flows from operating activities:

Net Loss	\$ -1,292,303
Adjustments to reconcile net income to to net cash provided by operating activities:	
Depreciation expense	<u>19,891</u>
	-1,272,412

Changes in operating assets and liabilities:

Decrease in Trading and Investment Accounts	100,111
Decrease in Due from brokers - dealers	1,268,818
Increase in Fixed Assets	-3,482
Decrease in Other Assets	708
Decrease in Accounts payable and Due to Customer	<u>-85,781</u>
Increase in Cash	7,962
Cash - beginning of year	<u>129,338</u>
Cash - end of year	<u><u>\$ 137,300</u></u>

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

UNITED EQUITIES COMPANY  
COMPUTATION OF NET CAPITAL (RULE 15c3-1)  
AS AT SEPTEMBER 30, 2004

**ASSETS**

Cash in bank - unrestricted	\$ 123,988
Cash in bank - restricted	13,312
Trading and Investment Accounts - Securities at Market	3,266,940
Fixed Assets - net	<u>29,828</u>
<b>TOTAL ASSETS</b>	<b>3,434,068</b>

**LIABILITIES**

Due to Brokers - Dealers	<u>137,024</u>
--------------------------	----------------

**CAPITAL**

Partners' Net Worth	3,297,044
Less: Fixed and Other Non-Allowable Assets	<u>29,828</u>
Net Capital before Haircuts	3,267,216
Less: Haircuts	<u>667,178</u>
<u>Adjusted Net Capital</u>	<u><u>\$2,600,038</u></u>

Ratio of Liabilities to Net Capital .0527 to 1

Reconciliation of Adjusted Net Capital

Per Form X-17-A-5	<u><u>\$2,600,049</u></u>
-------------------	---------------------------

There are no material differences.

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT



UNITED EQUITIES COMPANY

FOR THE YEAR ENDED SEPTEMBER 30, 2004

**Computation for determination of the reserve requirements and  
Information relating to possession or control requirements  
(Rule 15c3-3)**

NONE

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT

UNITED EQUITIES COMPANY  
FOR THE YEAR ENDED SEPTEMBER 30, 2004  
ANNUAL AUDIT REPORT

My review of the system of internal control, procedures for safeguarding securities and accounting system of your company, indicates that no material inadequacies exist therein.

JACOB EDELSTEIN  
CERTIFIED PUBLIC ACCOUNTANT